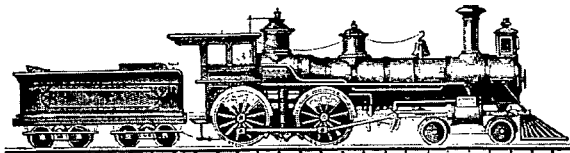


States Rail Services

A DIVISION OF STATES MARINE CORPORATION



FIVE THIRTY SEVEN STEAMBOAT ROAD, GREENWICH, CONNECTICUT 06830 • TELEPHONE: (203) 622-1024

No. **9-075A013**

Date **MAR 16 1979**

March 12, 1979

Fee \$ **50.**

ICC Washington, D. C.

RECORDATION NO. **10209** Filed 1425

Secretary
Interstate Commerce Commission
Washington, DC 20423

MAR 16 1979 - 2 22 PM

INTERSTATE COMMERCE COMMISSION

RE: Recordation and Filing of Document Pertaining to the Use
of Certain Covered-Hopper Railroad Freight Cars

Dear Sir:

In accordance with the provisions and procedures of Section 11303 of the Revised Interstate Commerce Act, 49 U.S.C. 11303, and Part 1116 of Title 49 of the Code of Federal Regulations, it is hereby respectfully requested that the document enclosed with this letter of transmittal, and more fully described hereinbelow, pertaining to the use of certain covered-hopper railroad freight cars, be recorded and filed by the Interstate Commerce Commission (the "Commission") pursuant to Section 1116.5 of said Title 49 of the Code of Federal Regulations.

A. Description of the Document and the Parties Thereto.

Enclosed herewith is an executed counterpart original of the Agreement, dated as of November 7, 1978, by and between the Genesee and Wyoming Railroad Company, 3846 Retsof Road, Retsof, New York 14539, and States Marine Corporation, doing business through its division, States Rail Services, 280 Park Avenue, New York, New York 10017, acting both for itself and as agent for GWI Leasing Corp. (the said Agreement being hereinafter called the "GWRR Use Agreement").

Also enclosed with this letter of transmittal are two certified true copies of the GWRR Use Agreement.

Pursuant to the terms of the GWRR Use Agreement, States Marine Corporation, doing business through its division, States Rail Services ("SMC/SRS"), and acting both for itself and in its capacity as agent for GWI Leasing Corp., has agreed to deliver to the Genesee and Wyoming Railroad Company ("GWRR"), for the latter's use in the ordinary course of its operations, a minimum of two-hundred (200) covered-hopper railroad freight cars.

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RECEIVED

MAR 16 2 14 PM '79

I.C.C.

FRE OPERATION BR.

Donna Lilly
C. Quinlan

Each of the covered-hopper railroad freight cars which has been or which will be delivered by SMC/SRS to GWRR pursuant to the GWRR Use Agreement is a 100-ton, 4,550 cubic feet capacity, steel covered-hopper railroad freight car, lined for use in the transport and shipping of grain products and select minerals, including salt. Each of such freight cars was or will be manufactured by, and was or will be purchased by the owner thereof from, National Steel Car Corporation, Limited, a Canadian corporation located in Hamilton, Ontario, Canada.

Two-hundred (200) of such covered-hopper railroad freight cars have been delivered by SMC/SRS to GWRR, upon the terms of the GWRR Use Agreement, prior to the date of this letter of transmittal. The names and addresses of the owners of the said two-hundred (200) covered hopper railroad freight cars, the number of such freight cars owned by each said owner, and the Identifying Marks, the Serial Numbers and the A.A.R. Mechanical Designation of such freight cars are as follows:

<u>NAMES AND ADDRESSES OF OWNERS</u>	<u>NUMBER OF CARS</u>	<u>IDENTIFYING MARKS</u>	<u>SERIAL NUMBERS</u>	<u>A.A.R. MECH. DESIG.</u>
GWJ Leasing Corp. 270 Greenwich Ave. Greenwich, CT	100	GNWR	810105 to and including 810115 -and- 810206 to and including 810294	LO
States Marine Corporation 280 Park Avenue New York, NY	100	GNWR	810095 to and including 810104 -and- 810116 to and including 810205	LO

GWJ Leasing Corp., a Delaware corporation, the principal offices of which are located at 270 Greenwich Avenue, Greenwich, Connecticut ("GWJLC"), has entered into a separate management agreement with SMC/SRS pursuant to which SMC/SRS has agreed to manage, on behalf of and as agent for GWJLC, each of the one-hundred (100) covered-hopper railroad freight cars owned by GWJLC and identified above opposite the name of GWJLC. SMC/SRS and GWRR do not have title to, and are not the owners of, any of the covered-hopper railroad freight cars identified above opposite the name of GWJLC.

SMC/SRS will also manage each of the one-hundred (100) covered-hopper railroad freight cars owned by States Marine Corporation and identified above opposite the name of States Marine Corporation. GWRR does not have title to, and is not the owner of, any of the covered-hopper railroad freight cars identified above opposite the name of States Marine Corporation.

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As and when additional covered-hopper railroad freight cars are delivered by SMC/SRS to GWRR under the GWRR Use Agreement, schedules supplemental to the GWRR Use Agreement will be executed by SMC/SRS and GWRR. Each such supplemental schedule will identify each covered-hopper railroad freight car so delivered and the owner thereof. An original and two certified true copies of each such supplemental schedule will be submitted to the Commission for recordation and filing under Part 1116 of Title 49 of the Code of Federal Regulations. GWRR will not have title to, and will not be the owner of, any of the additional covered-hopper railroad freight cars so delivered to GWRR.

B. Description of the Subcontractor Agreement

Reference is hereby made to the Subcontractor Agreement, dated as of November 7, 1978, by and between States Marine Corporation, doing business through its division, States Rail Services, 280 Park Avenue, New York, New York 10017, and GW Rail Management Corp., 3846 Retsof Road, Retsof, New York 14539 (the said Subcontractor Agreement being hereinafter called the "Subcontractor Agreement").

An original of the Subcontractor Agreement and two certified true copies thereof were recorded and filed by the Commission under Recordation Number 9946A at 1:35 p.m. on December 27, 1978.

Pursuant to the terms of the Subcontractor Agreement, SMC/SRS has subcontracted to GW Rail Management Corp. ("GWIRM") certain of the operational and managerial responsibilities which have been or will be assumed by SMC/SRS in respect of each of the covered-hopper railroad freight cars which are or will be subject to the GWRR Use Agreement. GWIRM does not and will not have title to, and is not and will not be the owner of, any of the covered-hopper railroad freight cars which is or will be subject to the Subcontractor Agreement.

All of the one-hundred (100) covered-hopper railroad freight cars owned by GWILC and identified opposite the name of GWILC in Part A of this letter of transmittal are subject to the Subcontractor Agreement.

All of the one-hundred (100) covered-hopper railroad freight cars owned by States Marine Corporation and identified opposite the name of States Marine Corporation in Part A of this letter of transmittal are subject to the Subcontractor Agreement.

C. Description of Mortgage over GWILC Freight Cars.

In order to secure the payment and performance by GWILC of all of its obligations to The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts, under a Loan and Security Agreement, dated as of February 16, 1979, by and among (i) GWILC, (ii) Genesee and Wyoming Industries, Inc., and (iii) The First National Bank of Boston (the said Loan and Security Agreement being hereinafter called the "GWILC Loan Agreement"), GWILC has, pursuant to Section 4 of the GWILC Loan Agreement, granted to The First National Bank of Boston a mortgage over and in respect of each of the one-hundred (100) covered-hopper railroad freight cars owned by GWILC and identified opposite the name of GWILC in Part A of this letter of transmittal.

An executed counterpart original and two certified true copies of the GWILC Loan Agreement will be submitted to the Commission for recordation and filing in the very near future.

D. Description of Mortgage over States Marine Corporation Freight Cars.

In order to secure the payment and performance by States Marine Corporation of certain of its obligations to The Chase Manhattan Bank, N.A., One Chase Manhattan Plaza, New York, New York, States Marine Corporation has, pursuant to a Chattel Mortgage between States Marine Corporation, as mortgagor, and The Chase Manhattan Bank, N.A., as mortgagee (the said Chattel Mortgage being hereinafter called the "Chase Chattel Mortgage"), granted to The Chase Manhattan Bank, N.A. a mortgage over and in respect of each of the one-hundred (100) covered-hopper railroad freight cars owned by States Marine Corporation and identified opposite the name of States Marine Corporation in Part A of this letter of transmittal.

An original of the Chase Chattel Mortgage and two certified true copies thereof were recorded and filed by the Commission under Recordation Number 10119 at 1:35 p.m. on February 16, 1979.

E. Procedural Matters.

It is hereby respectfully requested that each of the following names be inserted in the Commission index established pursuant to Section 116.5(c) of Title 49 of the Code of Federal Regulations:

- (1) GWI Leasing Corp.; ✓
- (2) States Marine Corporation;
- (3) States Rail Services;
- (4) Genesee and Wyoming Railroad Company;
- (5) GWI Rail Management Corp.;
- (6) The First National Bank of Boston; and
- (7) The Chase Manhattan Bank, N.A.

It is hereby also respectfully requested that the recordation number of each of the following documents be noted in the Commission index under the name of each of the parties named above:

- (a) the GWRR Use Agreement enclosed with this letter of transmittal; and
- (b) the Subcontractor Agreement (Recordation Number: 9946A).

We further request that the recordation number of the Chase Chattel Mortgage (Recordation Number: 10119) be noted in the Commission index under the name of each of the following parties:

- (i) States Marine Corporation;
- (ii) States Rail Services;
- (iii) Genesee and Wyoming Railroad Company;
- (iv) GWI Rail Management Corp.; and
- (v) The Chase Manhattan Bank, N.A.

Page 5
March 12, 1979

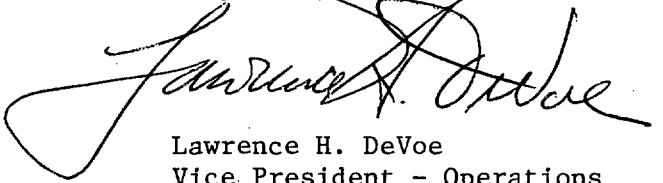
A check in the amount of fifty dollars (\$50.00) has been enclosed with this letter of transmittal to cover the recordation fee prescribed by Section 1116.3(d) of Title 49 of the Code of Federal Regulations.

Kindly return the original documents enclosed herewith to Louis J. Duval, Esq., Bingham, Dana & Gould, 100 Federal Street, Boston, Massachusetts 02110.

If there are any questions with respect to the GWRR Use Agreement, the Subcontractor Agreement, the transactions described therein, or the covered hopper railroad freight cars subject thereto, please feel free to telephone Louis J. Duval, Esq., collect, at 617/357-9300.

The undersigned hereby declares that he is an executive officer of the States Rail Services division of States Marine Corporation, and that he has knowledge of the matters set forth in the documents enclosed herewith.

Very truly yours,



Lawrence H. DeVoe
Vice President - Operations

i
Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

3/16/79

OFFICE OF THE SECRETARY

**Lawrence H. Devoe
Vice President-Operations
States Rail Service
537 Steamboat Road
Greenwich, Conn. 06830**

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on

at

3/16/79

2:20pm

and assigned recordation number(s)

10209

Sincerely Yours,


H.G. Homme, Jr.,

Secretary

Enclosure(s)

**SE-30-T
(2/78)**

AGREEMENT

THIS AGREEMENT, made as of this 7th day of November, 1978, between States Marine Corporation doing business through its division STATES RAIL SERVICES, with offices at 280 Park Avenue, New York, New York 10017 ("SRS"), for itself and as agent for a certain principal owner, and GENESEE AND WYOMING RAILROAD COMPANY, a New York corporation ("GWRR"), with offices at 3846 Retsof Road, Retsof, New York 14539.

1. Scope of Agreement

A. SRS, for itself and as agent for GWI Leasing Corp., and GWRR agree that SRS shall deliver to GWRR for GWRR's use a minimum of 200 covered hopper railroad cars as set forth in the schedule attached hereto (the "Schedule"). The Schedule shall at all time describe the railcar equipment by appropriate serial number and identify each as belonging to SRS or GWI Leasing Corp. (hereinafter collectively referred to as the "owners"). The scheduled items of equipment are hereinafter called collectively the "Cars".

B. It is the intent of the parties to this Agreement that the principal owners set forth on the Schedule shall at all times be and remain the owners of the Cars and that SRS shall be their agent. SRS acts or will act as agent of the owners by virtue of certain management agreements between SRS and each individual owner of the Cars. All actions undertaken by SRS under this Agreement shall, unless the context otherwise requires, be deemed to be taken as agent for each of the individual owners set forth on the Schedule. GWRR agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will execute such documents, at the request of SRS or the owners, and take such action as it deems necessary to accomplish or evidence this intent.

C. It is the intent of the parties that SRS, as agent, shall receive an amount equal to all the per diem payments, mileage payments and any other payments however designated earned by the Cars (all of which are hereinafter collectively referred to as "payments" or "car hire payments") and GWRR shall have the availability and use of the Cars in its present transportation operation and in any expansion of such service without payment of any other charge to SRS.

2. Term

This Agreement shall remain in full force until it shall have been terminated as to all of the Cars as provided herein. Subject to any termination rights hereinafter contained, this Agreement shall commence upon the delivery of the first Car to GWRR as set forth in Section 3A hereof and shall terminate on December 31, 1993.

3. Supply Provisions

A. SRS, on behalf of the owners, will inspect each of the Cars tendered by the manufacturer for delivery and confirm to GWRR in writing that such inspection has been made and that the Cars conform to the specifications agreed to by GWRR as described in the attached Schedules. GWRR shall inspect the sample car and confirm in writing to SRS that it conforms to the specifications agreed to by GWRR and which are referenced in the attached Schedules. Upon such approval by GWRR and SRS's subsequent determination that each Car conforms to the specifications supplied by SRS and to all applicable governmental regulatory specifications, SRS will accept delivery thereof as agent of the owners at the manufacturer's facility and shall notify GWRR in writing of such acceptance. Each of the Cars shall be deemed delivered to GWRR upon such acceptance and notification by SRS and control of the Cars shall immediately pass from the owners to GWRR at such time.

B. If there is a surplus of Cars available for salt service, GWRR intends to the extent practicable to load the Cars prior to loading substantially similar covered hopper railroad cars which, subsequent to the date of this Agreement, have been leased or purchased by GWRR provided, however, that this shall in no event prevent or prohibit GWRR from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks. While it is the intent of GWRR to treat the Cars on a basis no less favorable than that afforded to cars now owned or leased by GWRR, it is expressly understood that GWRR may, because of practical business considerations, give loading preference to cars now owned or leased by it (or to any substitutes for such cars). In addition, it is further understood that shipper cars at all times have loading priorities at the shipper's option.

4. Railroad Markings and Record Keeping

A. SRS, as agent, and GWRR agree that on or before delivery of any Cars to GWRR, said cars will be lettered with

the railroad markings of GWRR and may also be marked with the name and/or other insignia used by GWRR, all at no cost to GWRR. SRS will insure that such name and/or insignia comply with all applicable regulations.

B. At no cost to GWRR, SRS, as agent, shall during the term of this Agreement prepare for GWRR's signature and filing all documents relating to the registration, maintenance and record keeping functions involving the Cars. Such documents shall include but are not limited to the following: (i) appropriate Association of American Railroads ("AAR") documents (ii) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register (UMLER); and (iii) such reports as may be required from time to time by the Interstate Commerce Commission ("ICC") and/or other regulatory agencies.

5. Maintenance, Taxes and Insurance

A. Except as otherwise provided herein and excluding the operating cost of GWRR as would be incurred whether or not this Agreement were in effect, SRS will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each of the Cars during the term of this Agreement, including but not limited to repairs, maintenance and servicing, unless the same was occasioned by the fault of GWRR while a Car was in the physical possession of GWRR. GWRR hereby transfers and assigns to SRS for and during the term hereof all of its right, title and interest in any warranty in respect to the Cars. All claims or actions on any warranty so assigned shall be made and prosecuted by SRS at its sole expense and GWRR shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be payable solely to SRS for the benefit of the individual owner.

B. Except as provided above, SRS shall make or cause to be made such inspections of, and maintenance and repairs to, the Cars as may be required. At SRS's expense, GWRR shall perform any necessary maintenance and repairs to Cars on GWRR's railroad tracks as may be reasonably requested by SRS. SRS shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition throughout the term hereof. GWRR may make running repairs to facilitate continued immediate use of a Car and bill SRS for such repairs. All bills for repairs by GWRR are payable upon receipt by SRS of an invoice.

C. SRS agrees to reimburse GWRR upon demand for all taxes (including but not limited to sale or use taxes imposed on the mileage charges, payments hereunder and/or car hire revenues), assessments and other governmental charges of whatsoever kind or character paid by GWRR relating to each Car and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to GWRR or which may be accrued, levied, assessed or imposed during the term hereof, except taxes, however designated, imposed on income of GWRR. Moreover, SRS agrees to indemnify and hold harmless GWRR from any and all such tax, assessment or charge liability and from any costs, penalties or expenses, including legal fees, relating thereto. SRS and GWRR will comply with all state and local laws requiring the filing of ad valorem tax returns on the cars.

6. Consideration

A. In consideration for its performance of its obligations hereunder, SRS shall be entitled for the account of the owners to a sum equal to all car hire payments made to GWRR on account of the Cars. In addition, SRS shall be entitled to a sum equal to all monies, if any, earned by the Cars prior to their initial loading.

B. GWRR shall pay or cause to be paid to SRS, or its designee or agent, a sum equal to all revenues received with regard to the Cars, including but not limited to payments described in Section 6A, 6C and 7B, as soon as possible after such payments are actually received by GWRR. GWRR agrees to appoint the First National Bank of Boston (the "Bank") as its collection agent during the term of this Agreement for purposes of collecting the monthly drafts of GWRR in respect of all railroad cars controlled by GWRR. GWRR shall instruct the Bank to deposit that portion of the sum collected on any monthly draft which is equal to all car hire payments earned by the Cars in such account in the Bank as SRS may direct. It is understood that GWRR may give such instructions as it may desire in respect of that portion of the monthly draft attributable to its railroad cars which are not subject to this Agreement.

C. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 7 of the AAR Car Service and Car Hire Agreement, Code of Car Hire Rules and Interpretations - Freight and the appropriate amount due as a result thereof is received by SRS, said damaged or destroyed Car will be removed from the coverage of this Agreement as of

the date that payment of car hire payments as to such Car ceased.

D. SRS may, at its option and upon written notice to GWRR, terminate this Agreement as to such Cars as SRS shall determine in the event that the utilization after December 31, 1979 of (x) the Cars and (y) cars under a separate agreement dated as of November 7, 1978 between SRS and GWRR is less than 70 per cent either (i) during any two consecutive quarters or (ii) on the average over any four consecutive calendar quarters. For the purposes of this Agreement, utilization shall be determined by a fraction, the numerator of which is the sum of the aggregate number of days in each calendar quarter that car hire payments are earned by GWRR on each car, commencing from the initial loading, and the denominator of which is the sum of the aggregate number of days in each calendar quarter that each car is subject to this Agreement, commencing from the initial loading (such term referred to as "utilization").

E. Upon mutual written consent of SRS and GWRR, this Agreement may be terminated as to any Car at any time.

F. If at any time during the term of this Agreement, any management agreement (as referenced in Section 1 above) between SRS and any individual owner is terminated, then this Agreement shall be deemed to be terminated as to the Cars of such owner as of date of termination of the owner's Management Agreement.

G. In the event that GWRR shall give written notice to SRS, or its designee or agent, that any alterations, modifications, improvements or additions to the Cars, costing \$200 or more per Car, or any one of them, are required by AAR, the Department of Transportation or any other regulatory agency or are otherwise required to comply with applicable laws, regulations or requirements, then SRS shall have thirty (30) days from the receipt of said notice to terminate this Agreement as to one or more of the Cars. Such termination shall be made by written notice to GWRR within said thirty (30) day period. If SRS does not so terminate, then SRS shall promptly commence and diligently complete such alteration, modification, improvement or addition or GWRR may immediately terminate this Agreement as to such Cars.

7. Possession and Use

A. So long as GWRR shall not be in default under this Agreement, GWRR shall be entitled to the possession and

use of the Cars in accordance with and subject to the terms of this Agreement and in the manner and to the extent Cars are customarily used in the railroad freight business.

B. If, in the opinion of SRS and GWRR, it may be possible to achieve a higher utilization of the Cars without seriously impeding the ability of the GWRR to perform its carrier functions, then SRS may direct GWRR to assign that number of Cars designated by SRS to other railroads subject to recall. In this event, an amount equal to all car hire payments earned with regard to the assigned cars shall be paid to SRS.

C. GWRR will not directly or indirectly create, incur, or cause to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement or any Schedule thereto. GWRR will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrances, security interest or claim if the same shall arise at any time.

D. GWRR shall use its best efforts to provide that the Cars will not be used predominantly outside the United States during 1978 or any subsequent calendar year within the meaning of Section 48(a)(2)(A) of the Internal Revenue Code, as amended, or any successor provision thereof, and the regulations thereunder. It is expressly understood that GWRR shall have no other obligation in this regard.

8. Default of GWRR

A. The occurrence of any of the following events shall be an event of default of GWRR:

(i) The nonpayment by GWRR of any sum required herein to be paid by GWRR within twenty (20) days after the date any such payment is due.

(ii) The breach by GWRR of any other term, covenant, or condition of this Agreement, which is not cured within twenty (20) days after receipt of written notice thereof.

(iii) Any act of insolvency by GWRR, or the filing by GWRR of any petition or action under any bankruptcy, reorganization, insolvency or moratorium

law, or any other similar law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against GWRR that is not dismissed within sixty (60) days thereafter, or the appointment or any receiver or trustee to take possession of the properties of GWRR, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of any material portion of GWRR's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which is not discharged within sixty (60) days.

B. Upon the occurrence of any event of default, SRS, at its option, may

(i) Proceed by any lawful means to enforce performance by GWRR of this Agreement or to recover damages for a breach thereof (and GWRR agrees to bear SRS's costs and expenses, including reasonable attorneys' fees, in securing such enforcement), or

(ii) By notice in writing to GWRR, terminate GWRR's right of possession and use of the Cars, whereupon all right and interest of GWRR in the Cars shall terminate; and thereupon SRS may enter upon any premises where the Cars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of GWRR. SRS shall nevertheless have the right to recover from GWRR any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date.

9. Default of SRS

A. The occurrence of any of the following events shall be an event of default of SRS:

(i) The nonpayment by SRS of any sum required herein to be paid by SRS within twenty (20) days after the date any such payment is due.

(ii) The breach by SRS of any other term, covenant, or condition of this Agreement, which is not cured within twenty (20) days of receipt of written notice thereof.

(iii) Any act of insolvency by States Marine Corporation, or the filing by States Marine Corporation of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other similar law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against States Marine Corporation that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of States Marine Corporation, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subject of any material portion of States Marine Corporation's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which is not discharged within sixty (60) days.

B. Upon the occurrence of any event of default, GWRR, at its option, may

(i) Proceed by any lawful means to enforce performance by SRS of this Agreement and to recover damages for a breach hereof (and SRS agrees to bear GWRR's costs and expenses, including reasonable attorney's fees, in securing such enforcement), or

(ii) Terminate this Agreement, proceed by any lawful means to recover damages for a breach hereof, and, by notice to SRS, require SRS to take possession of any Cars situated on GWRR's line.

C. The termination of any management agreement between SRS and any owner of any Cars for any reason shall be an event of default of SRS. In such event, GWRR may (i) terminate this Agreement as to any Cars covered by such

terminated management agreement, (ii) by notice to SRS or the owner, require SRS or the owner to take possession of any such Cars situated on GWRR's line, and (iii), except as to terminations of the management agreement pursuant to Section 13 or 14 thereof, proceed by any lawful means to recover damages for breach.

10. Rights at Termination

At the expiration or termination of this Agreement as to any Cars, GWRR will surrender possession of such Cars to SRS by delivering the same to SRS at SRS's expense. Upon termination, GWRR's railroad markings shall be removed from the Cars and there shall be placed thereon such markings as may be designated by SRS, at the option of SRS and at SRS's cost, either (1) by GWRR upon return of such Cars to GWRR's railroad line or (2) by another railroad line which has physical possession of the car at the time of or subsequent to termination as to such Car. If such Cars are not on the railroad line of GWRR upon termination, any cost of assembling, delivering, storing, and transporting such Cars to GWRR's railroad line or the railroad line of a subsequent lessee shall be borne by SRS. If such Cars are on the railroad line of GWRR upon termination, SRS shall be liable to GWRR for storage costs until such Cars are removed from GWRR tracks.

11. Indemnities

SRS will defend, indemnify and hold GWRR harmless from and against (1) any and all loss or damage of or to the Cars, usual wear and tear excepted, unless occurring while GWRR has physical possession of Cars and (2) any claim, cause of action, damage, liability, cost or expense which may be asserted against GWRR with respect to the Cars (other than loss or damage to the Cars as in (1)), including without limitation that arising out of the construction, purchase and delivery of the Cars to GWRR's railroad line, ownership, leasing or return of the Cars, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by SRS or GWRR).

12. Representations, Warranties and Covenants of GWRR

GWRR represents, warrants and covenants that GWRR is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has taken

all of the corporate action necessary to enter into and perform its obligations under this Agreement.

13. Representations, Warranties and Covenants of SRS

SRS represents, warrants and covenants that SRS is a division of States Marine Corporation; that SRS has received and reviewed the management agreement signed by each of the owners set forth on Schedule A; that to the best of its knowledge any of such owners as are required to obtain corporate authorization to enter into such management agreement have taken all of the action necessary to obtain and have obtained such authorization, and that nothing has come to the attention of SRS which would indicate that any owner was not qualified to enter into such management agreement or that SRS's authority to act on any such owner's behalf in entering into this Agreement has been limited in any way except as contemplated by such management agreement.

14. Inspection

SRS shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure GWRR's compliance with its obligations hereunder. GWRR shall immediately notify SRS of any accident connected with the malfunctioning or operation of the Cars, including in such report the time, place and nature of the accident and the damage caused, the names and addresses of any persons injured and of witnesses, and other information pertinent to GWRR's investigation of the accident. GWRR shall also notify SRS in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Car. GWRR will execute any authorization necessary for SRS to examine the Cars.

15. Agency of SRS

GWRR understands that SRS is acting as agent for the various car owners as individuals or individual entities, that SRS will look to such owners for the payment of all amounts due to GWRR under this Agreement and that SRS will have no obligation to pay such amounts except to the extent that such owners have made such sums available to SRS. This Section shall in no way limit GWRR's ability under Section 9 to terminate this Agreement.

16. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Except as provided in Section 7B. hereof, GWRR may not without the prior written consent of SRS assign this Agreement or any of its rights and obligations hereunder and any purported assignment in violation hereof shall be void. SRS may not without the prior written consent of GWRR assign its agency rights and obligations under this Agreement to any party and any assignment in violation hereof shall be void.

B. It is expressly understood and agreed by GWRR, SRS, and the owners that this Agreement constitutes an agreement as to use of the Cars only and no joint venture or partnership is being created. Notwithstanding the calculation of car hire payments, nothing herein shall be construed as conveying to GWRR any right, title or interest in the Cars except as GWRR's rights are specifically provided herein.

C. No failure or delay by SRS shall constitute a waiver or otherwise affect or impair any right, power or remedy available to SRS nor shall any waiver or indulgence by SRS or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

D. This Agreement shall be governed by and construed according to the laws of the State of New York.

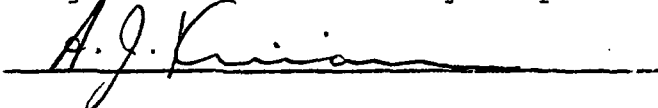
E. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GENESEE AND WYOMING RAILROAD COMPANY

By:  M. B. Sullivan, Chairman

States Marine Corporation, doing
business through its division,
STATES RAIL SERVICES, for itself
and as agent for GWI Leasing Corp.

By:  A. J. Krizan

FIRST SCHEDULE

<u>OWNERS</u>	<u>NUMBER OF CARS</u>	<u>IDENTIFYING MARKS</u>	<u>SERIAL NUMBERS</u>	<u>A.A.R. MECH. DESIG.</u>
GWI LEASING CORP., 270 GREENWICH AVE., GREENWICH, CONNECTICUT	100	GNWR	810105 to and including 810115 -and- 810206 to and including 810294	LO
STATES MARINE CORPORATION, 280 PARK AVE., NEW YORK, N.Y.	100	GNWR	810095 to and including 810104 -and- 810116 to and including 810205	LO

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS:

On this 15th day of February, 1978, before me personally appeared Michael B. Tucker III, to me personally known, who being by me duly sworn, says that he is the Chairman of GENESEE AND WYOMING RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



WILLIAM A. CRAIG JR.
Notary Public, State of New York
No. 30-0791264
Qualified in Nassau County
Commission expires March 30, 1979

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS:

On this 15th day of February, 1978, before me personally appeared ARTHUR J. KIRIAKOS, to me personally known, who being by me duly sworn, says that he is the Executive Vice Pres. of STATES MARINE CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



WILLIAM A. CRAIG JR.
Notary Public, State of New York
No. 30-0791264
Qualified in Nassau County
Commission expires March 30, 1979

10209

RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

COMMONWEALTH OF MASSACHUSETTS)

COUNTY OF SUFFOLK)

I, the undersigned, do hereby certify that I have compared the documents attached hereto with an executed original of the Agreement, dated as of 7th November, 1978, between STATES MARINE CORPORATION doing business through its division STATES RAIL SERVICES, and GENESEE AND WYOMING RAILROAD COMPANY, and that the document attached hereto is a true, correct, and complete copy of the said Agreement.

Date: MARCH 15, 1979

[Notarial Seal]

Arthur J. Pottie
Notary Public

My commission expires:

ARTHUR J. POTTIE, Notary Public
My Commission Expires: June 2, 1983